

TITLE 14. NATURAL RESOURCES
DIVISION 2. DEPARTMENT OF CONSERVATION
CHAPTER 5. DIVISION OF RECYCLING

Legend:

Italic Underline

Proposed Emergency Additions

~~*Italic Strikeout*~~

Proposed Emergency Deletions

SUBCHAPTER 5. PROCESSORS

Article 2. Accounting and Reporting Requirements

§2420. RECORDKEEPING.

Processors shall maintain the following records in accordance with the general requirements set forth in section 2085 of these regulations.

(a) Shipping reports. Processors shall obtain shipping reports from each recycling center and also prepare shipping reports for material received from all other persons. Processors shall retain copies of all shipping reports.

(b) Weight tickets. Processors shall prepare and retain tickets indicating material and weight of individual loads of beverage containers by material type received from recycling centers and other persons. A copy of any weight ticket prepared pursuant to this section shall be provided to the shipper unless the receiving processor and the shipper are the same person.

(c) Processor reports to the Division. Processors shall retain copies of reports to the Division pursuant to section 2425 of these regulations.

(d) Verification of cancellation. Processors shall retain proof that the processor canceled or had canceled in accordance with section 2000(a)(4) of these regulations all empty beverage containers received. The verification shall include:

(1) For shipments by sea, the proof of cancellation by export from the state shall be the on-board bill of lading.

(2) For other shipments out of the State or to a location of end use, the proof of cancellation shall include a receipt issued by the person receiving the shipment and any applicable bill of lading.

(3) For other forms of cancellation defined in section 2000(a)(4) of these regulations, proof shall be a certification prepared in accordance with subsection 2090(d) of these regulations and signed by the person performing the cancellation. The certification shall identify the canceled materials, the date of cancellation, and the method of cancellation, pursuant to subsections 2000(a)(4)(A), (B), (C),(D),(E) or (F) of these regulations.

(e) Records of processor to processor transactions. Processors shall prepare and retain a record of all exchanges of materials subject to the Act. Such records shall identify the shipping processor and the receiving processor(s) and shall also include the date of the shipment, material type, and the weight of the material.

(f) Notices of Disposal. Processors shall retain copies of written notices of disposal sent to the Division pursuant to section 2410 of these regulations.

(g) The processor shall prepare and retain a receipt setting forth the weight and type of material delivered to the processor and payment made or credit granted for all scrap transactions. In addition, the receipt shall indicate if the load consisted of rejected containers, line-breakage containers, or out-of-state beverage containers.

(h) Records of scrap value survey data. Processors shall maintain records to support all of the information provided to the Division on the Scrap Value Survey Form (DOR = SV (10/99) 7/95-2 (Rev. 11/95)) required by section 2425(f) of this subchapter.

Authority: Sections 14530.5, 14536, and 14536.1, Public Resources Code. Reference: Sections 14504, 14537, 14539, 14550, 14552 and 14575, Public Resources Code.

§2425. REPORTING.

The processor initially receiving material from recycling centers, curbside programs, dropoff or collection programs, or community service programs shall prepare and submit to the Division the report described in this section.

(a) The report shall be submitted monthly or, at the option of the processor, twice monthly, or up to four times per month. The reporting periods for the month must cover from the beginning to the end of the calendar month and not overlap any days.

(1) All reports shall be submitted no later than the 10th day after the last day of the reporting period. For example, if the reporting period covers the 1st through the 7th of the month, the reports shall be submitted no later than the 17th of the month. If the reporting period covers the 8th through the 14th of the month, the reports shall be submitted no later than the 24th of the month. If the reporting period covers the 15th through the end of the month, the reports shall be submitted within 10 days of the last day of the month covered by the report.

(2) One supplemental processor invoice per material type per original reporting period shall be allowed, provided it is submitted no later than forty-five (45) days from the following events:

(A) The end of the reporting period the supplemental processor invoice covers, if it is for new shipping reports not previously submitted with the original processor invoice for that reporting period; or

(B) The date appearing on the Notice of Denial (NOD) if the reports were previously denied or if the reports are a combination of new shipping reports not previously submitted with the original processor invoice and previously denied shipping reports.

(3) One amended processor invoice per material type per reporting period shall be allowed, provided it is submitted no later than ninety (90) days after the end of the reporting period.

(4) Nothing herein shall limit the Division's authority to accept an amended processor invoice which will result in money being owed to the State of California.

(b) The report shall contain the following information, by material type, in addition to the general requirements for reporting contained in section 2090 of these regulations.

(c) A summary of the processor's transactions during the period covered by the report, including all of the following information:

(1) The total weight of all material, including empty beverage containers received by the processor; and

(2) The total weight of empty beverage containers received, and the refund value, and applicable administrative and processing payments paid for such material by material type; and

(3) The computation and amount of the total processing payment due for the reporting period; and

(4) The computation and amount of the total administrative fee due for the period; and

(5) Total payments requested from the Division for the period. These payments are computed as the sum of the total reported refund value, the administrative fees due, and the processing payments due; and

(6) A statement indicating whether the materials which are the subject matter of the report are "for recycling" or "not for recycling."

(d) Each report shall also include copies of the shipping reports for the period of the report. The total number of shipping reports included shall be specified.

(e) Each report shall also contain a shipping report prepared by the processor for each shipment of materials received from any curbside program, dropoff or collection program, or community service program, and a shipping report for each shipment of materials received from a recycling center that has been prepared by the recycling center and completed by the processor. The report shall include all of the following information:

(1) The name, address, and identification number or certification number, of the entity shipping the material to the processor, as well as the name and telephone number of a contact person; and

(2) The received weight, excluding line breakage, rejected containers, and out-of-state containers; and

(3) The redemption weight; and

(4) The refund value paid; and

(5) The total administrative fees paid, when applicable; and

(6) The processing payments paid; and

(7) The signature of the shipper or an authorized representative of the shipper and date signed; and

(8) The weight ticket date; and

(9) The weight ticket number; and

(10) The basis for payment, when applicable; and

(11) The shrinkage deduction taken, if any; and

(12) The signature of an authorized representative of the processor.

(f) Additionally, each certified processor shall submit a Scrap Value Survey Form DOR - SV (10/99) 7/95-2 (Rev. 11/95) report for purchases of beverage container material types every month. The DOR - SV (10/99) 7/95-2 (Rev. 11/95) shall be submitted to the Division no later than the 10th day of the month following the month of the report. The DOR - SV (10/99) 7/95-2 (Rev. 11/95) report must be submitted regardless of whether or not purchases occurred in the applicable time period. In addition

to the general requirements for reporting contained in section 2090 of these regulations, the

DOR – SV (10/99) 7/95-2 (Rev. 11/95) report shall contain all of the following information, if applicable:

(1) The processor's name, address and certification number, physical address, including city, phone number and date prepared; and,

(2) The month covered by the report; and

(3) The total weight, in tons, of each beverage container material type purchased, even if zero, from nonaffiliated sellers in each of the following categories: certified recycling centers, dropoff or collection programs, community service programs, processors, registered curbside programs, any certified and non-certified entities; in the case of glass, beneficiating processors shall be reported separately from other processors; and,

(4) The total weight, in tons, of each beverage container material type received from affiliates or subsidiaries; and

(5) The total net payment for the reported total monthly weight, in tons, for each beverage container material type purchased, by the reporting processor from nonaffiliated sellers in each of the categories listed in item 3 above; and

(6) For glass only, the monthly total weight, in tons, of purchased containers by color; and

(7) For PET plastic, the monthly total weight, in tons, of purchased containers; and

(8) For non-PET plastic, beginning July 1, 1999, the monthly total weight, in tons, of purchased, containers by the plastic resin code type (2 through 7); and

~~(7)~~ (9) The printed name and signature of an authorized representative of the reporting processor.

(g) Processors purchasing materials directly from more than one curbside program, dropoff or collection program, or community service program may apply to the Division to request the use of alternative methods for preparing the corresponding shipping reports. The Division shall consider each proposed alternative method and issue a written approval or denial within forty-five (45) calendar days.

(1) In order for alternative methods to be accepted, they must be based on reasonable allocation methods.

(2) An application for an alternative allocation method shall be denied if:

(A) The received weight of the material purchased by an entity from the processor is not used to calculate allocations to the curbside programs, dropoff or collection programs, or community service programs; or

(B) The processor does not ensure that the weight of rejected containers, line breakage, and out-of-state containers is not included in the allocated weight (this does not require a physical separation); or

(C) The processor does not account for each incoming load of material; or

(D) The processor does not inspect incoming material to verify that it is eligible for refund value payments, as specified in section 2401.

(3) Processors may file a formal appeal by writing the Assistant Director for Recycling within thirty (30) calendar days after the receipt of a notice denying an

application requesting an alternative method for shipping report preparation. Appeals submitted after this time period shall be rejected. All written appeals shall include:

- (A) A copy of the notice denying the allocation method;
- (B) A detailed explanation of why the determination was in error; and,
- (C) Any other documentation that supports the appeal.

(4) A written decision on the appeal shall be sent to the processor within seven (7) calendar days of the receipt of the appeal.

(h) Processors purchasing commingled glass from a certified dropoff or collection program including a “waste reduction facility”, a certified community service program, or a registered curbside program, shall visually inspect every load delivered to determine eligibility for refund value and the level of contamination in the load. If a load presented to a processor is eligible for refund value and has residual or other contamination, the processor shall reduce the load for shrinkage. If a load has a residual or other contamination level of greater than 10% by weight, and the load is otherwise eligible for refund value, the receiving processor shall request an alternative method of preparing the shipping report for payment. The Division shall consider each proposed alternative method and issue a written approval or denial within forty-five (45) calendar days.

(1) In order for the alternative method to be accepted, it must:

(A) Be based on a recycled glass cleaning process that produces cullet which meets the American Society for Testing and Materials standard specification for waste glass as a raw material for the manufacture of glass as specified in Section 2000(a)(3.1)(A).

(B) Clearly state:

(i) That the received weight, for beverage container redemption purposes, shall be determined from the cullet produced in (A) above.

(ii) That the redemption weight shall be determined using the applicable commingled rates and the received weight from (i).

(iii) That, if a sampling procedure will be used to determine the received weight of contaminated loads from each entity, the sampling procedure must be included with the request for an alternative method of preparing the shipping report.

(2) An application for an alternate method will be denied if:

(A) The total weight of all contaminated materials received at the facility is not recorded.

(B) All material received at this facility is not inspected for the presence of out-of-state, rejected, or line breakage containers and this weight excluded from shipping reports.

(C) Records accurately supporting both cullet sold and residual or contaminated material disposed of or used for an alternative market is not made available to Department staff upon request.

(D) The method does not clearly account for the weight of empty beverage containers for each certified dropoff or collection program including a “waste reduction facility”, certified community service program, or registered curbside program from which the processor receives this material.

3) When used in this subsection, “waste reduction facility” means a dropoff or collection program certified by the Department, which separates beverage container material types from mixed waste.

Authority: Sections 14530.5, 14536, and 14536.1, Public Resources Code.

Reference: Sections 14504, 14515.5, 14518.5, 14519.5, 18015, 14539, 14550, 14552, 14552.51 and 14575, Public Resources Code.

SUBCHAPTER 12. DOR REQUIREMENTS

Article 2. processing Fees and Processing Payments

§2955. SCRAP VALUE CALCULATION.

(a) The Division shall survey processors to determine statewide weighted average scrap values paid for each container material type (in the case of non PET plastic, for each resin code type) on a monthly basis.

(b) The Division shall calculate the statewide weighted average scrap value using a statistically significant survey of the processors pursuant to paragraph (a).

(c) The statewide weighted average scrap value shall be equal to the quotient of the total net payment by the sampled processors to ~~any~~ nonaffiliated recyclers certified recycling centers divided by the total volume of beverage container material types purchased by the sampled processors from nonaffiliated recyclers certified recycling centers. ~~For the determination of statewide average glass scrap value, the total volume and the total net payment paid to nonbeneficiating glass processors and the total volume and the total net payment paid to certified recycling centers by the sampled beneficiating and nonbeneficiating processors shall be included in the calculation.~~

(d) The scrap values reported in (c) above will then be used to determine a per container statewide weighted average scrap value for each container type.

(e) The Division may periodically sample and review processors' individual scrap purchases to verify the accuracy of the aggregated weights and aggregated net payments reported on the monthly Scrap Value Survey Form (DOR – SV (10/99) 7/95-2 (Rev. 11/95)). The review may include examination of the records maintained by a sample of the selling entities.

(f) If, through this review, the Division determines that either or both of the sampled weights and sampled net payments reported by a processor differ by more than ten percent (.10) from those recorded by the sellers, the Division shall adjust the reported aggregate weights or aggregate net payments or both to reflect the discovered difference.

Authority: Section 14530.5(b), 14536, 14536.1, ~~and 14581.5(e)(2)~~ Public Resources Code. Reference: Sections 14504, 14515.5, 14518.5, 14519.5, 14526, 14538(b)(8), 14539(a)(9), ~~and~~ 14575, and 18015, Public Resources Code.

Scrap value emergency text
12/20/99 3:30 pm